



Michigan Bankers Association

## House Judiciary Committee

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**To:** Representative Mark Meadows, Chair  
**From:** Debbie Mitin, Director of Trust Services  
**Date:** April 29, 2009  
**Subject:** Michigan Trust Code

Thank you for the opportunity to comment on SB's 383-386. The Michigan Bankers Association (MBA) represents 185 banks of which 45 have trust departments. Our trust committees, especially the trust counsel committee which is made up of 14 trust attorneys from both multistate and community banks across the state has been involved in the process of a rigorous and thorough review of the original Uniform Trust Code for the past 6 years. We were very fortunate to have a few of these attorneys also on the Probate Section's subcommittee so information was freely communicated back and forth which kept us all on task. This Michigan Trust Code creates a level economic playing field for Michigan banks. Michigan residents are free to appoint persons and institutions in other states as trustees of their trusts and to subject the trusts to the laws of the states where the trustees are located. By enacting the Michigan Trust Code, Michigan can neutralize the attraction of Ohio, Florida, and Arizona as alternative places to domicile trusts because of the availability of their law to govern trusts, and thereby retain in Michigan the management and administration of these trusts, and the jobs this work brings. This Code also represents 34 gap fillers which provide law in areas where there is no present Michigan law. This helps in administering trusts that are not as well drafted and reduces trips to court for guidance and direction, which conserves trust property that would be consumed on expenses for these proceedings. It will also be helpful to the trustees to have a single source of law instead of a collection of limited statutes and cases. Even though the MBA represents the corporate trustee in the state of Michigan, this legislation will also be beneficial to the individual trustees for the same reasons as stated above.